

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF DELTRAN, INC.)	
TO ESTABLISH ITS MONTHLY)	CASE NO. 98-055
LEASE CHARGE)	

ORDER

On April 24, 1998, the Commission approved Deltran, Inc.'s ("Deltran") proposed lease charge and ordered Deltran to submit a refund plan to return excess revenues collected from Delta Natural Gas Company, Inc. ("Delta"). Deltran filed a refund plan in which it proposes to offset alleged under-billing which occurred in February 1998, when its proposed lease charge was suspended, against over-billing which occurred in March and April 1998.

After considering the proposal and being otherwise sufficiently advised, the Commission finds that Deltran should refund to Delta the \$16,348 in excess revenues collected during each month of March and April 1998. The Commission further finds that, as Deltran's proposed lease charge was suspended during February 1998 and was not permitted to become effective subject to refund until March 1, 1998, Deltran has no legal right to the difference between its pre-March 1, 1998 lease charge and the lease charge which was ultimately approved. To permit Deltran's proposed offset would involve retroactive rate-making.

IT IS THEREFORE ORDERED that:

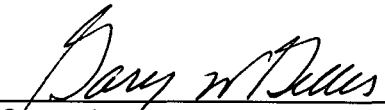
1. Deltran's proposed refunding plan is rejected.
2. Deltran shall refund to Delta \$32,696 within 30 days of the date of this Order. A notification shall be sent to this Commission within five days of the refund date stating that the refund has been made.

Done at Frankfort, Kentucky, this 12th day of August, 1998.

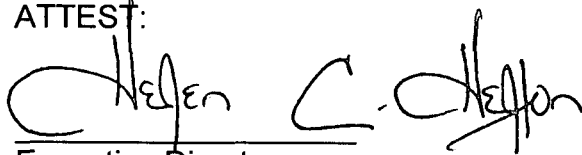
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director